

Refresh Yourself!

Drink
Coca-Cola

Delicious and Refreshing

MAR 22 1924



Annual Report to Stockholders

BOARDS The Coca-Cola Company
Atlanta, Ga.

384.18

C6421

1924

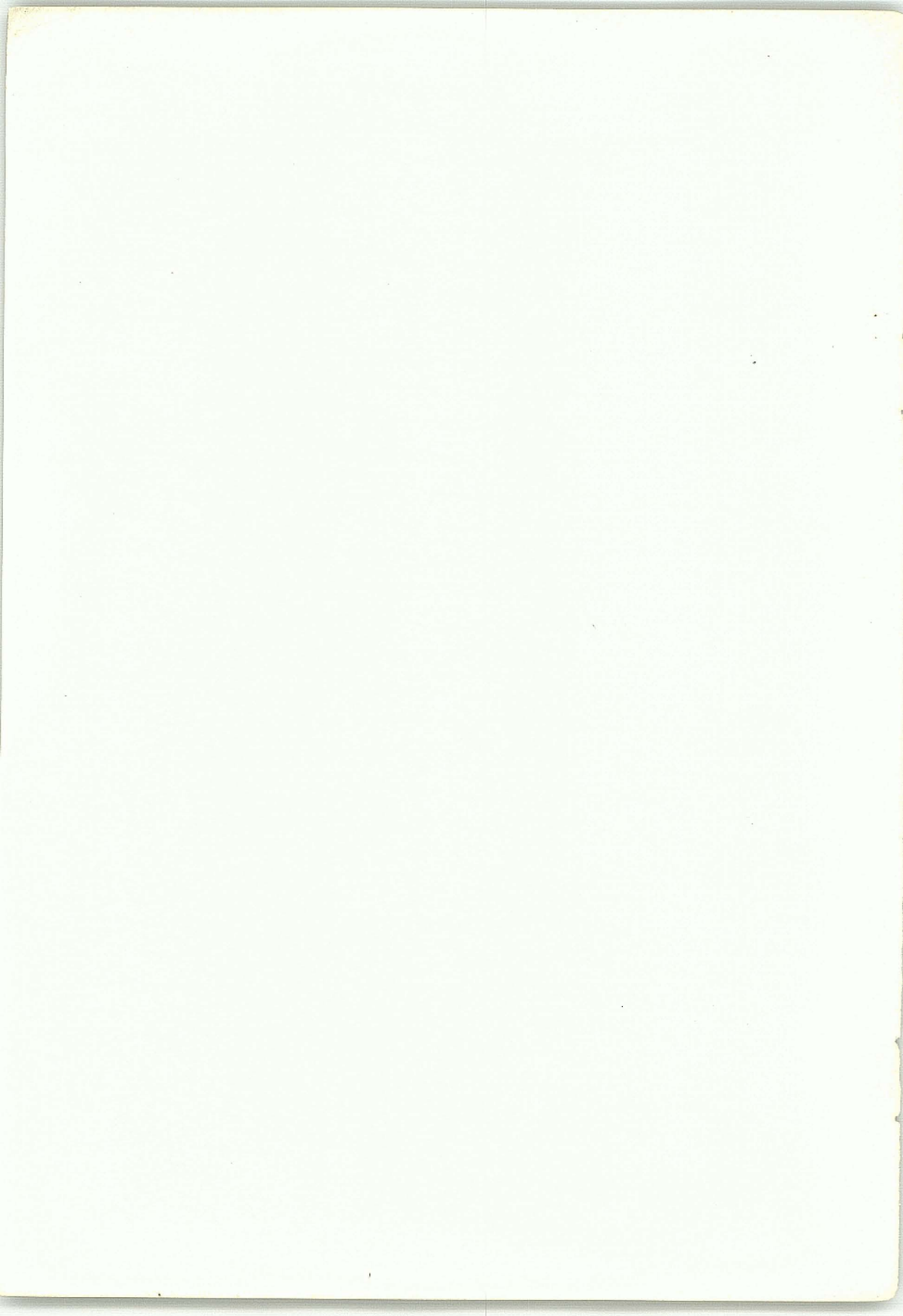
The
COCA-COLA COMPANY
and Subsidiaries

ATLANTA, GA.

6

ANNUAL REPORT
to the
Stockholders
1924

Printed in U. S. A.



EXECUTIVE OFFICERS AND DIRECTORS of THE COCA-COLA COMPANY

OFFICERS

Chairman of the Board of Directors *Chairman of the Advisory Committee*
W. C. BRADLEY C. H. CANDLER

President
R. W. WOODRUFF

Vice-Presidents
W. P. HEATH.....In Charge of Production
HARRISON JONES.....In Charge of Marketing
*B. S. McCASH.....In Charge of Advertising
HAROLD HIRSCH.....In Charge of Legal Affairs

Secretary and Treasurer
S. F. BOYKIN

Assistant Secretary and Assistant Treasurer
W. G. LAMB

DIRECTORS

W. C. Bradley.....Columbus, Ga.	E. F. Hutton.....New York, N. Y.
J. Bulow Campbell....Atlanta, Ga.	James H. Nunnally...Atlanta, Ga.
Charles H. Candler...Atlanta, Ga.	E. W. Stetson.....New York, N. Y.
W. C. D'Arcy.....St. Louis, Mo.	D. A. Turner.....Columbus, Ga.
Samuel C. Dobbs.....Atlanta, Ga.	Walter C. White.....Cleveland, O.
T. K. Glenn.....Atlanta, Ga.	*W. A. Winburn.....Savannah, Ga.
Charles Hayden...New York, N. Y.	Ernest Woodruff.....Atlanta, Ga.
R. W. Woodruff.....Atlanta, Ga.	

EXECUTIVE COMMITTEE

W. C. Bradley	J. H. Nunnally
Charles H. Candler	E. W. Stetson
T. K. Glenn	Ernest Woodruff
R. W. Woodruff	

ADVISORY COMMITTEE

C. H. Candler	T. K. Glenn
W. C. Bradley	Ernest Woodruff
R. W. Woodruff	

And Officers of the Company

GENERAL COUNSEL

Candler, Thomson & Hirsch
Atlanta, Ga.

Associate Counsel

Clifford L. Anderson
Atlanta, Ga.

TRANSFER AGENTS

GUARANTY TRUST COMPANY,
New York, N. Y.
TRUST COMPANY OF GEORGIA,
Atlanta, Ga.

REGISTRARS

CHASE NATIONAL BANK,
New York, N. Y.
THE CITIZENS & SOUTHERN BANK,
Atlanta, Ga.

*Deceased.

Facts and Figures

All of our equipment might be replaced more easily than could our good-will, which has been cultivated through 38 years of consistent effort. A corporation which does not lay a firm foundation for the future cannot build good-will of lasting nature—truth is the basis of all stable good-will.

Intrinsic worth of the product, good service in distribution and a vision for the future in management, are the safeguards of this good-will.

The attention of our stockholders is directed to the added value which they can give their holdings by serving as public relations representatives of their company — by informing themselves upon both facts and figures and subsequently disseminating truth, the essence of good-will.

THE COCA-COLA COMPANY

ATLANTA, GA.

February 26, 1924

To the Stockholders of The Coca-Cola Company:

I herewith submit the Annual Report of The Coca-Cola Company and its subsidiaries for the year ending December 31, 1923. Appended to this report is a consolidated balance sheet showing the financial condition of the Company.

The expansion of the Company's business during 1923 necessitated the building of a factory at Chicago; an administration building at Baltimore; offices and warehouse at Washington; a factory at Havana, Cuba; a factory and head office building at Toronto, Canada; rebuilding of the plant at Ottawa, Canada; a warehouse at Winnipeg, Canada. We have also acquired additional real estate in Atlanta.

During the year the Company has acquired all of the stock of the New England Coca-Cola Bottling Company, amounting to \$250,000.00, which controls the bottling privileges for the New England states, and all stock in the Hartford Coca-Cola Bottling Company, amounting to \$50,000.00, which is the actual bottler of Coca-Cola for Hartford, Connecticut, and vicinity.

The outstanding feature of the business of this Company for the past year has been the increase in the volume of sales, which was the largest since the peak of 1920, at which time you will recall the volume of business done was abnormal. Sales for the last twelve months have shown an increase over 1922 of 1,860,000 gallons, indicating a normal and regular growth in our business, since its stability depends not so much upon the per gallon profit as upon the volume of sales made.

The Crystal Carbonic Laboratory located at Atlanta, Georgia, manufacturing Crystal Brand Carbonic Acid Gas, which was acquired by this Company prior to 1923, has shown a growth of 65% over the 1922 sales of gas. A limited program of expansion for this Company is in progress at the present time which should yield a creditable increase in business during 1924.

As a means of intensifying and extending our sales efforts in the future, the organization of the Sales Department into a Delaware Corporation known as "Coca-Cola Company," with a capital of \$500,000.00, has been perfected, and on January 1st this sales company assumed full charge of the merchandising of Coca-Cola, under the ownership, supervision and control of The Coca-Cola Company.

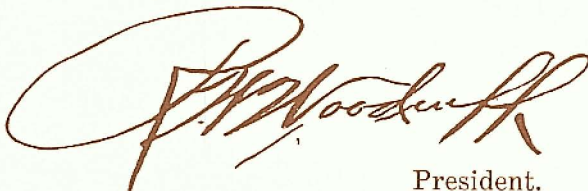
Another step taken, in accord with our developing foreign policy, was the incorporation of our Canadian interests as "The Coca-Cola Company of Canada, Ltd.," with a capital stock of \$1,000,000.00, owned by The Coca-Cola Company, and the election of a managing director, which will enable our business in the Dominion to be conducted as a unit, thus insuring closer supervision and more intimate contact with the trade.

Our Cuban business has shown a most gratifying increase of 82% for 1923.

Our general foreign business, due to recent developments, has necessitated the establishment during the year of a separate Export Department to take charge of our increasing activities in foreign markets.

It is my belief that business enters the year 1924 upon a stable foundation and that the prospects promise well for The Coca-Cola Company as for other sound manufacturing and merchandising enterprises.

Respectfully submitted,

A large, stylized handwritten signature in dark ink, which appears to read "R. H. Woodruff". The signature is fluid and cursive, with a large loop at the beginning and a long, sweeping tail.

President.

CONSOLIDATED CONDENSED BALANCE SHEET

The Coca-Cola Company, Atlanta, Georgia, and Its Subsidiaries

December 31st, 1923

ASSETS

Current:	
Cash	\$ 2,367,603.73
Government Securities	3,400.00
Notes Receivable	513,518.78
Accounts Receivable	885,992.69
Inventory—Merchandise on Hand, Priced at Lower of Cost or Market.....	1,779,263.97
	<u>\$ 5,549,779.17</u>
Other Assets:	
Notes Receivable—Real Estate Sold.....	\$ 190,000.00
Sundry Notes and Accounts Receivable.....	70,685.90
	<u>260,685.90</u>
Permanent:	
Land	\$ 1,164,282.72
Buildings*	3,654,589.71
Machinery and Equipment.....	2,312,699.20
Bottles and Cases.....	889,202.80
	<u>\$ 8,020,774.43</u>
Less: Allowance for Depreciation.....	1,087,362.05
	<u>6,933,412.38</u>
Formulae, Trade-Marks and Good-Will†.....	20,656,386.43
Deferred Charges:	
Unexpired Insurance and Prepaid Expenses.....	67,367.16
	<u>\$33,467,631.04</u>

LIABILITIES

Current:	
Notes Payable—for Real Estate Due 1924..	\$ 31,000.00
Accounts Payable	694,659.18
Unpaid Dividends §	1,225,000.00
Accrued Accounts	2,152.50
	<u>\$ 1,952,811.68</u>
Deferred:	
Real Estate Notes Due 1925-1927.....	\$ 90,000.00
Unearned Interest on Notes Receivable.....	2,587.50
	<u>92,587.50</u>
Reserve:	
For Federal Taxes.....	681,517.42

NOMINAL

Capital Stock:	
Preferred	\$10,000,000.00
Common	15,010,000.00
	<u>\$25,010,000.00</u>
Profit and Loss—Surplus.....	5,730,714.44
	<u>30,740,714.44</u>
	<u>\$33,467,631.04</u>

*The increase in this item is represented by buildings mentioned in the President's report.
†The capital stock of the New England Coca-Cola Bottling Company is included in this item.
§This item represents common and preferred dividends paid January 1, 1924.

CONSOLIDATED STATEMENT OF OPERATIONS

The Coca-Cola Company, Atlanta, Ga.
and Its Subsidiaries

Year Ended December 31st, 1923

SALES	\$24,320,063.98
Less: Cost of goods sold, including freight on sales, discounts and allowances*	13,445,496.78
Gross Operating Profit.....	\$10,874,567.20
Expenses—selling, branch, administrative, and general†..	5,651,882.60
Net Operating Profit.....	\$ 5,222,684.51
Other deductions—net	45,575.58
Net profit before Federal Taxes.....	\$ 5,177,108.93
Reserve for Federal Income taxes.....	648,000.00
Net Profit	\$ 4,529,108.93

PROFIT AND LOSS—SURPLUS ACCOUNT

BALANCE—December 31, 1922.....	\$ 5,560,547.48
Net Profits from Operations for Year Ended December 31, 1923..	4,529,108.93
	\$10,089,656.41
Less: Adjustment of Federal Tax Reserve for Prior Years.....	33,941.97
	\$10,055,714.44

Deduction for Dividends

Preferred:

May 28, 1923.....	\$ 350,000.00
November 26, 1923...	350,000.00
	\$ 700,000.00

Common:

February 28, 1923...	\$ 1,000,000.00
May 28, 1923.....	875,000.00
August 28, 1923.....	875,000.00
November 26, 1923..	875,000.00
	\$ 3,625,000.00
	\$ 4,325,000.00

BALANCE—DECEMBER 31, 1923.....	\$ 5,730,714.44
--------------------------------	-----------------

*This item reflects the increase in the cost of raw materials for 1923 as compared with 1922.
†Included in this item is the largely increased advertising budget of 1923.

Auditors' Certificate

We Hereby Certify,

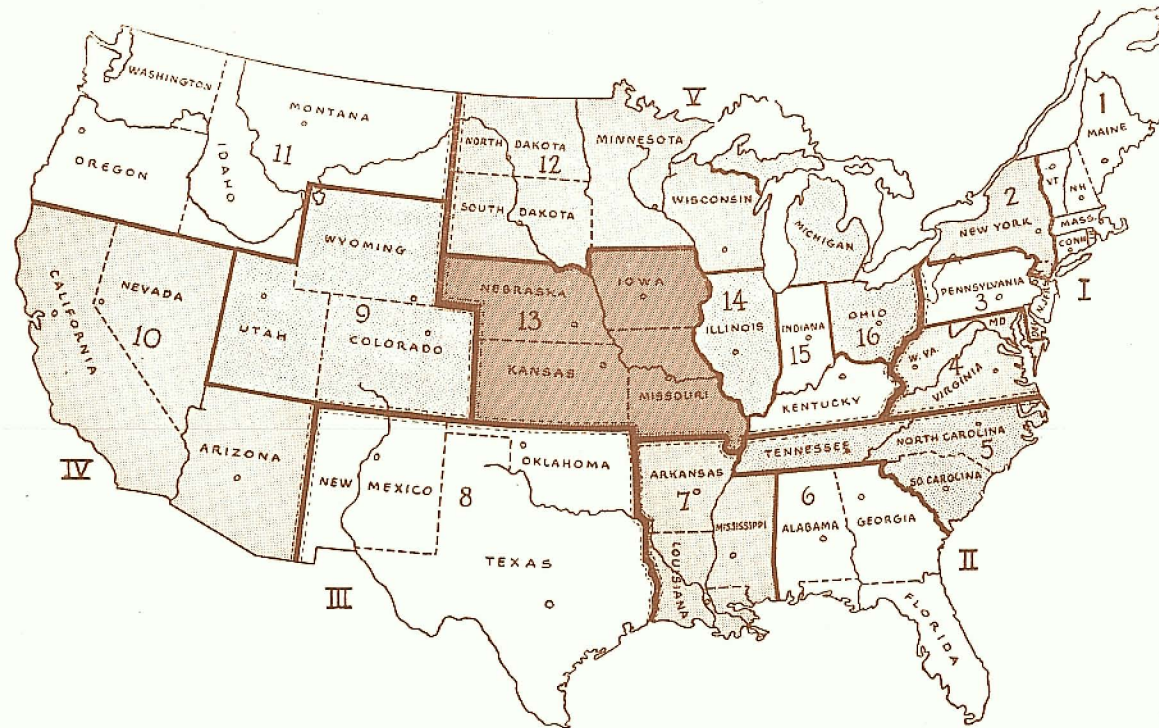
That we have audited the books of account and record of THE COCA-COLA COMPANY, Atlanta, Georgia, and its subsidiaries, as at December 31, 1923, and that, based upon our examination and information obtained, it is our opinion that the annexed Consolidated Condensed Balance Sheet is drawn so as to correctly reflect the financial position of the Companies at the date named, and that the relative Consolidated Statement of Operations, and Profit and Loss-Surplus Statements are correct.

(Signed) ERNST & ERNST,
Public Accountants
and Auditors.

Atlanta, Georgia,
January 24th, 1924.

Sales and Advertising Regions and Districts

THE COCA-COLA COMPANY



I—EASTERN REGION
Hdq., Baltimore
1—Boston District
2—New York District
3—Philadelphia District
4—Baltimore District

II—SOUTHEASTERN REGION
Hdq., New Orleans
5—Charlotte District
6—Atlanta District
7—New Orleans District

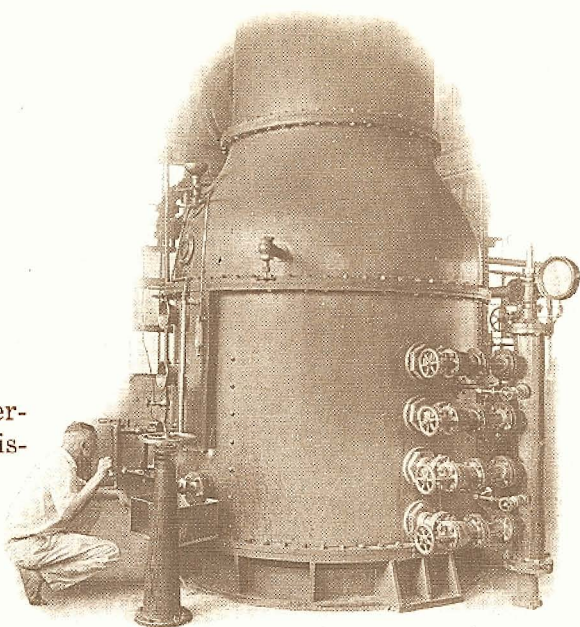
III—SOUTHWESTERN REGION
Hdq., Dallas
8—Dallas District

IV—WESTERN REGION
Hdq., San Francisco
9—Denver District
10—San Francisco District
11—Spokane District

V—CENTRAL REGION
Hdq., Chicago
12—Milwaukee District
13—St. Louis District
14—Chicago District
15—Louisville District
16—Cleveland District

From Spa to Coca-Cola

CARBONATED beverages, according to historians, were the outgrowth of experiments by the famous English scientist, Priestly, and were first introduced in the United States about 1806 purely as a medicine. Townsend Speakman, a Philadelphia druggist, who achieved quite a reputation during the Revolution by supplying most of the medicines used by the Continental Armies, first produced carbonated beverages.



Vacuum pan in sugar refinery where actual crystallization of sugar takes place.

The name of one of the leading physicians of Philadelphia in Druggist Speakman's days, curiously enough, was Physick. Dr. Physick had become interested in the experiments of Priestly in carbonating water. He conceived the idea that carbonated water was the medicine one of his patients needed. He conferred with Mr. Speakman and the latter undertook to manufacture a carbonizer to provide the carbonated water Dr. Physick desired.

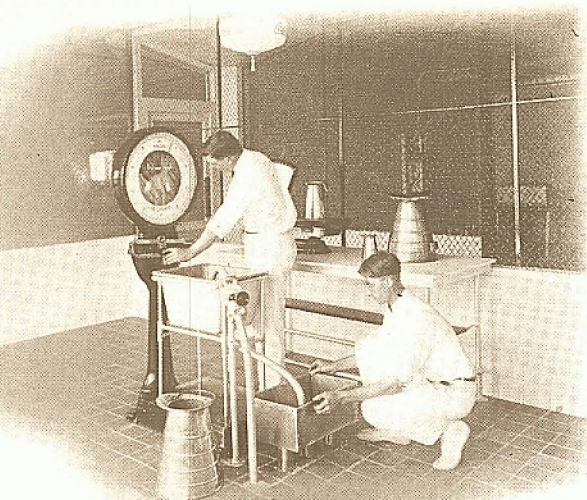
Dr. Physick prescribed this carbonated water for his patient. The result was so successful that Dr. Physick recommended carbonated water strongly and persistently for his patients and friends.

Speakman, realizing that plain carbonated water was not a very pleasant drink, turned his fertile mind to the task of making it more palatable and thereby increasing its use. He hit upon the idea of flavoring it with fruit juices. The result was an immediate and large increase in his business, for Philadelphians found that his health-aiding beverage was also pleasant to take.

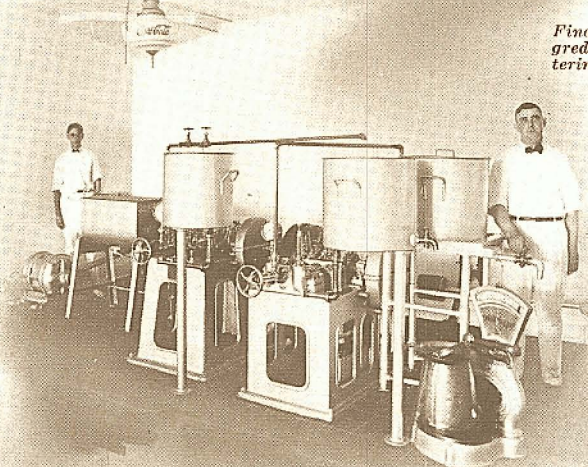
That was the beginning of the carbonated beverage industry in America. The beginning of an industry that has grown until today there are approximately 10,000 bottlers of carbonated beverages in the United States, whose yearly output is handled by more than 300,000 retailers and 115,000 soda fountains dispensing car-

bonated beverages in the glass.

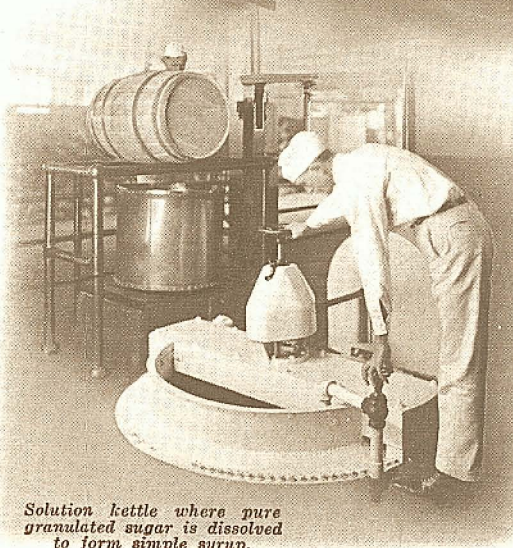
In considering the history of the soft drink industry it must be borne in mind that though the first soda fountains, or "spas," as they were then called, were opened in America in 1806, it was not until the development of Coca-Cola that a demand for soda fountains was



Final weighing of ingredients before entering mixing containers



Blending the natural fruit flavors

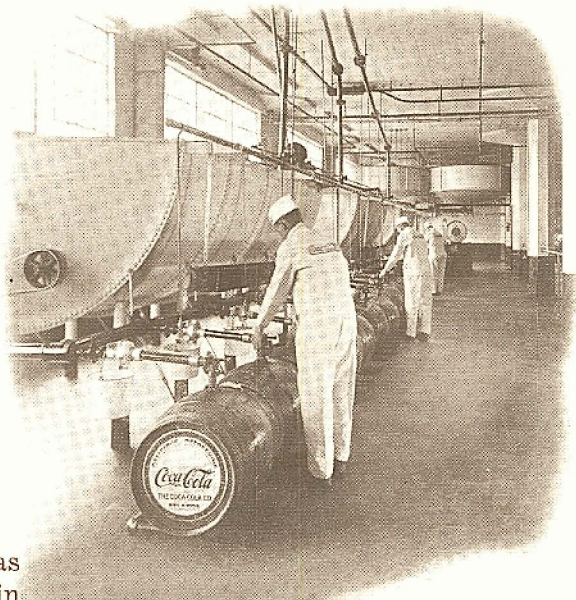


Solution kettle where pure granulated sugar is dissolved to form simple syrup.

created. Instead of the soda fountain creating the market for Coca-Cola, the reverse has been the case to a large extent. The bottling of carbonated beverages followed comparatively closely upon the heels of the fountain, but the bottling industry did not assume ma-

for proportions until it became possible to perfectly sterilize every bottle before using, to fill and crown the bottle without the touch of human hands, and to effect an inspection after filling which guaranteed purity.

So much for the industry in general—consider that great leader of the carbonated beverage industry which has lifted both the fountain and the bottling business on its shoulders and made of them what they are today—Coca-Cola.



Filling barrels with Coca-Cola syrup direct from the mixing containers

In a little old shop on Marietta Street, in Atlanta, almost opposite where the Federal Reserve Bank now stands, there worked an experimenter with chemical flavors. He was not a highly trained expert, but he lived with his work day by day. A pot and kettle were about the extent of his laboratory equipment, but this blender and mixer, Dr. J. S. Pemberton, conceived the idea of a soft drink—one that would blend certain flavors and appeal to the public taste.

In the early part of 1886 this compound, or preparation, had no name, and the gentlemen interested were asked to suggest names. The name "Coca-Cola" was suggested by Mr. F. M. Robinson, who afterwards became secretary and treasurer of The Coca-Cola Company and who continued with it for many years.

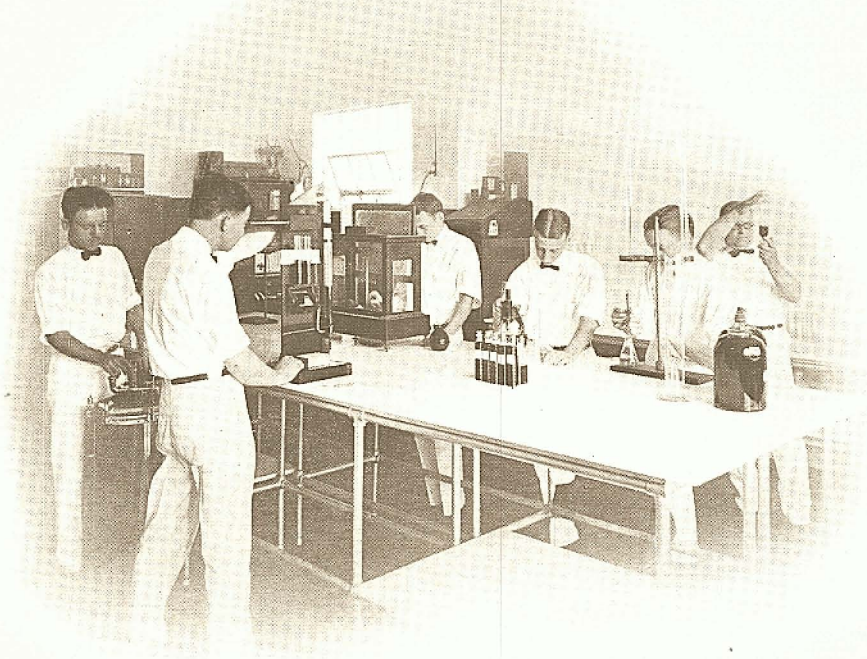
Dr. Pemberton applied for a registration of a label with Coca-Cola thereon, and having secured it he disposed of a two-thirds interest in the trade-mark and preparation in 1887. In April, 1888, Asa G. Candler personally acquired an interest, and in 1891 Mr. Candler acquired the total interest in and to the business, good-will, trade-mark, and formula of Coca-Cola.

In February, 1892, this business was incorporated as The Coca-Cola Company, a Georgia corporation, and the trade-mark registered at this time. This corporation was owned by Mr. Candler or by members of his family up until the sale in September, 1919, to

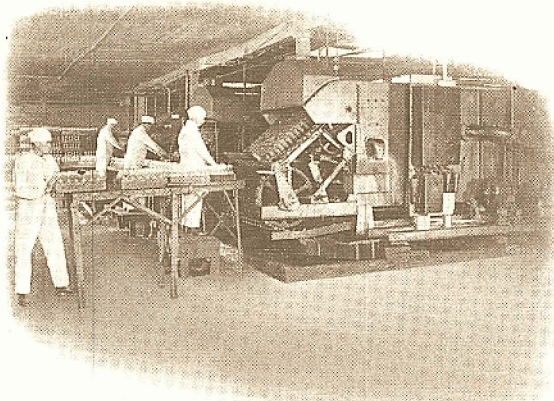
The Coca-Cola Company, a Delaware corporation, for twenty-five million dollars.

From 1886 to the present day is quite a jump, and this is what has happened to Coca-Cola sales—a growth from 25 gallons in 1892, when The Coca-Cola Company was first organized, to more than 17,000,000 gallons in 1923. In this growth there has been nothing of chance or luck. Coca-Cola has been, and is, subject to the same economic laws which govern other lines of business. It has met its ups and downs during the thirty-eight years of its history, and may meet such ups and downs in the future. Because of purity of product coupled with sound principles of merchandising, Coca-Cola has survived hundreds of carbonated beverages which, at one time or another, have been offered to the public during the last thirty-eight years.

Coca-Cola is a drink, or beverage, "delicious and refreshing," made by mixing one ounce of Coca-Cola syrup with five ounces of pure, carbonated water, in a six-ounce glass or bottle. Coca-Cola is the trade-mark of The Coca-Cola Company, or as was stated by the United States Supreme Court, "*We are dealing with a popular drink, not with a medicine. The name now characterizes a bever-*



Annual laboratory school where food experts from various Coca-Cola plants are trained to test all ingredients for color, strength and purity.



Placing bottles in bottling plant "washer" where they go through a 5% solution of caustic soda at a temperature of 140° F.

age to be had at almost any soda fountain. It means a single thing coming from a single source, and well known to the community."

So much for the history of Coca-Cola. Every business man will be interested to know something of the manufacturing and distributing facilities of this almost universal beverage. Coca-Cola manufacturing plants are located at Atlanta, New York, Chicago,

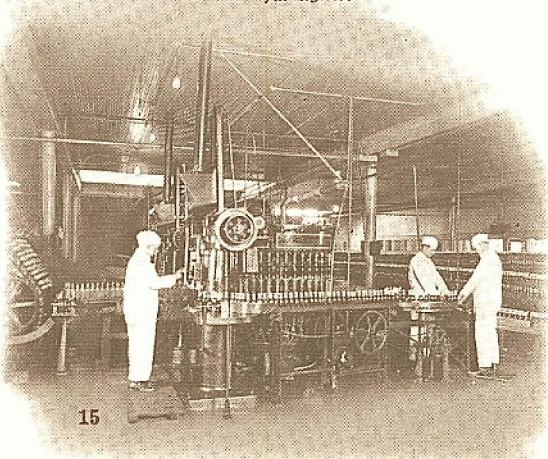
Baltimore, New Orleans, Dallas, Los Angeles and Kansas City; Toronto, Montreal, Winnipeg and Vancouver, Canada; Havana and Santiago, Cuba; Paris, France.

Coca-Cola has the greatest distribution of any product, manufactured by one company, in the world.

Distribution is effected through two major channels. Syrup is sold to more than 1200 Coca-Cola bottlers in the United States, and to bottlers in Canada, Cuba, Hawaii, Philippines, and even in the little island of Guam. Bottlers in the United States in turn merchandise the bottled drink through more than 200,000 retailers. For fountain use the syrup is sold through more than 2300 jobbers, who in turn supply 115,000 soda fountains in the United States. Coca-Cola is also sold in Porto Rico, Panama, Mexico, Australia, New Zealand, England, France and in the Orient.

With the completion of the organization of the sales department as Coca-Cola Company, the United States has been divided into five regions, for purposes of production, sales and advertising, each region in charge of a Regional

Filling and crowning bottles direct from the "Washer" without the touch of human hands. At right, inspecting sealed bottles over powerful lights.





Demonstrator
bottling plant
in operation

Manager. The five regions have been further subdivided into sixteen sales districts, each under a District Sales Manager. This method of districting the United States is a normal outgrowth of the eleven sales divisions in existence up to January 1st, 1924. This method of organization will give, not only added supervision, but a more intimate and personal contact with the trade.

First in other phases of the growth of the carbonated beverage industry, The Coca-Cola Company is taking the lead in the matter of standardization of its beverage. Stationed at each Coca-Cola manufacturing plant is a food expert who tests in the laboratory every ingredient for strength, color and purity before it goes into Coca-Cola syrup. This is known as "laboratory control." The parent bottlers have a group of inspectors who are constantly traveling from one Coca-Cola bottling plant to another to insure standardization of the bottled drink. The Company itself main-

tains a number of Service Sections, composed of highly trained soda dispensers, who go into the fountains of the retail stores and teach the soda dispensers sanitation and the most improved fountain methods and, most important of all, the fact that one ounce of Coca-Cola syrup to five ounces of carbonated water makes the best Coca-Cola. Also, with a view to standardization of the drink, The Coca-Cola Company has gone into the glass business, and last year sold more than 3,400,000 six-ounce glasses, in order that you may receive a real Coca-Cola, matter not where you buy it.

The advertising of Coca-Cola has blazed the way for the entire soft drink industry, and has been largely responsible for the enormous increase during the last decade. For example, The Coca-Cola Company maintains more than 20,000 painted walls and bulletins throughout the United States alone. It buys each year more than 1,000,000 pieces of dealer help advertising as well as 2,500,000 calendars. Its magazine and newspaper advertisements carry its message in millions of copies.

This whole manufacturing and distributing machinery, the entire sales and advertising forces, as well as the many departments necessary to maintain the integrity of Coca-Cola, are all functioning with but one end in view—that the customer may receive a “delicious and refreshing” Coca-Cola, made right, whether he buys it in America, Europe, or the Orient, in order that the good-will, symbolized by this company’s trade-mark, may develop throughout the next 38 years as it has during the past.



Coca-Cola Service Section behind retailer's fountain—demonstrating the fact that 1 ounce of syrup to 5 ounces of water makes the best drink.

A Proud History

GROWTH IN SALES

<i>Year</i>	<i>Gallons of Syrup</i>
1886	25
1887	1,049
1888	1,933
1889	2,171
1890	8,855
1891	19,831
1892	35,360
1893	48,427
1894	64,333
1895	76,244
1896	117,636
1897	163,297
1898	214,008
1899	281,055
1900	370,877
1901	468,411
1902	677,515
1903	881,423
1904	1,133,788
1905	1,549,886
1906	2,107,661
1907	2,558,782
1908	2,877,732
1909	3,486,626
1910	4,190,149
1911	4,815,677
1912	5,504,956
1913	6,767,822
1914	7,231,562
1915	7,521,833
1916	9,715,892
1917	12,109,420
1918	10,314,727
1919	18,730,167
1920	18,656,445
1921	15,837,449
1922	15,437,612
1923	17,300,275

THE COCA-COLA COMPANY

GENERAL OFFICES
ATLANTA, GEORGIA

BRANCH OFFICES AND MANUFACTURING PLANTS

Atlanta	Chicago	Kansas City	New Orleans
Baltimore	Dallas	Los Angeles	New York

WAREHOUSES

Savannah	Portland	Memphis	Houston
Roanoke	Shreveport	Little Rock	Miami
Norfolk	Salt Lake City	Beaumont	Jacksonville
Richmond	Denver	San Antonio	Tampa
Lynchburg	Nashville	El Paso	Boston
Philadelphia	Pittsburgh	Washington	

COCA-COLA COMPANY OF CANADA, Ltd.
Head Offices—Toronto

BRANCH OFFICES AND MANUFACTURING PLANTS

Montreal	Toronto	Vancouver	Winnipeg
----------	---------	-----------	----------

BOTTLING PLANTS

Belleville	Hamilton	Moosejaw	Port Arthur
Brandon	Kingston	Nanaimo	Quebec
Calgary	Lethbridge	Ottawa	Regina
Edmonton	London	Peterboro	Saskatoon

WAREHOUSES

Brantford	Cornwall	Smith's Fall	Kitchener	Orangeville
-----------	----------	--------------	-----------	-------------

CUBA

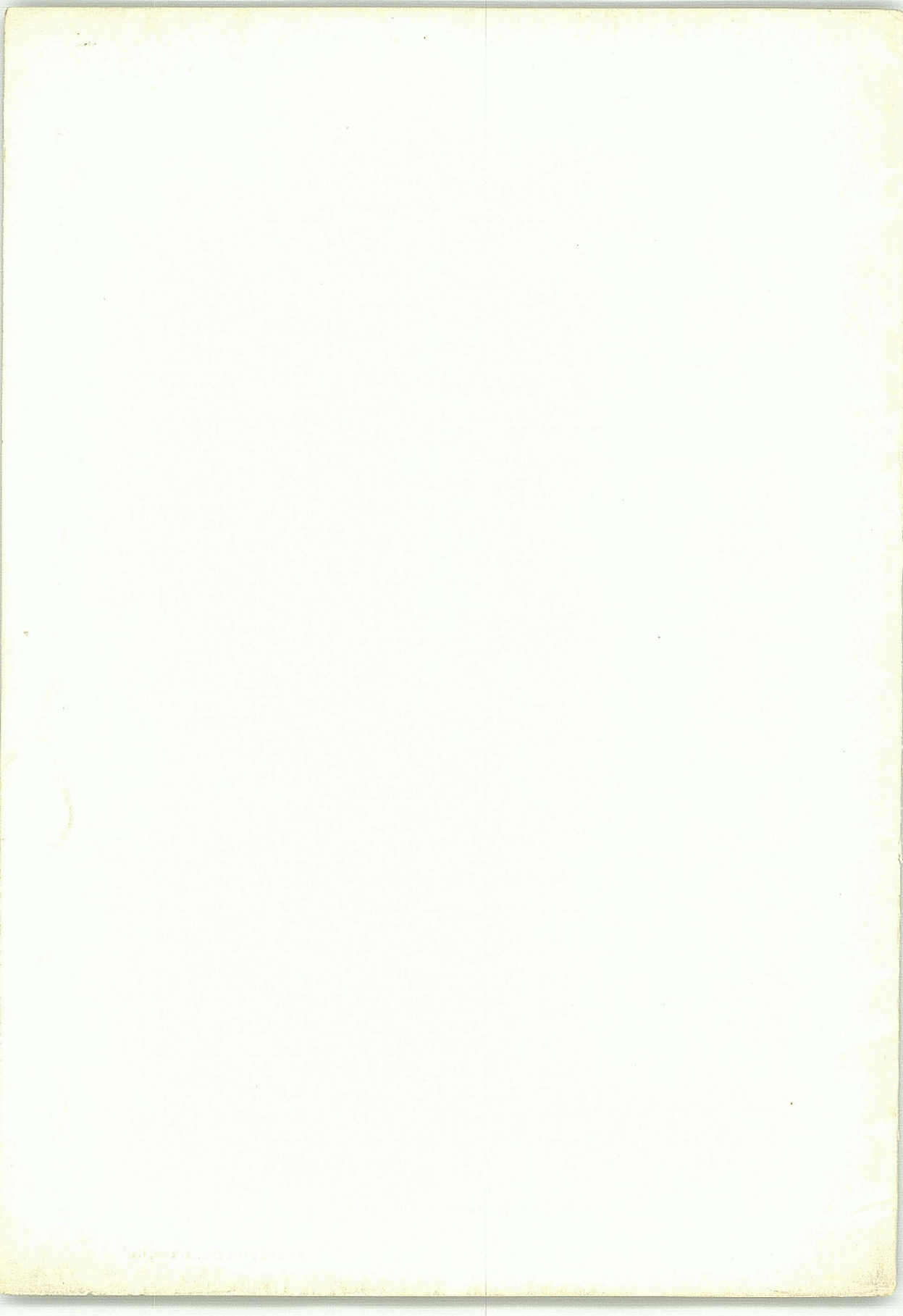
Havana	Santiago
--------	----------

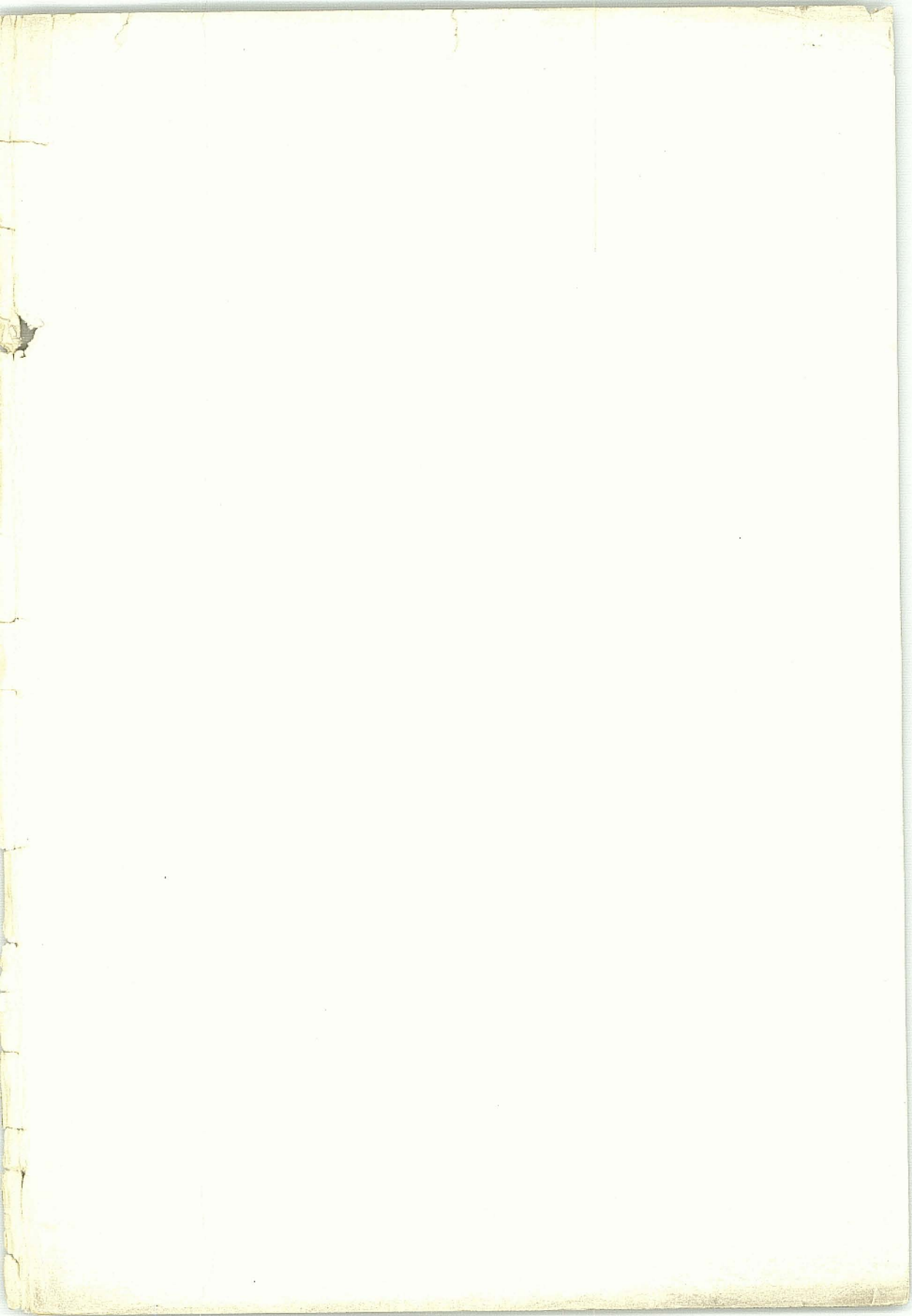
FRANCE

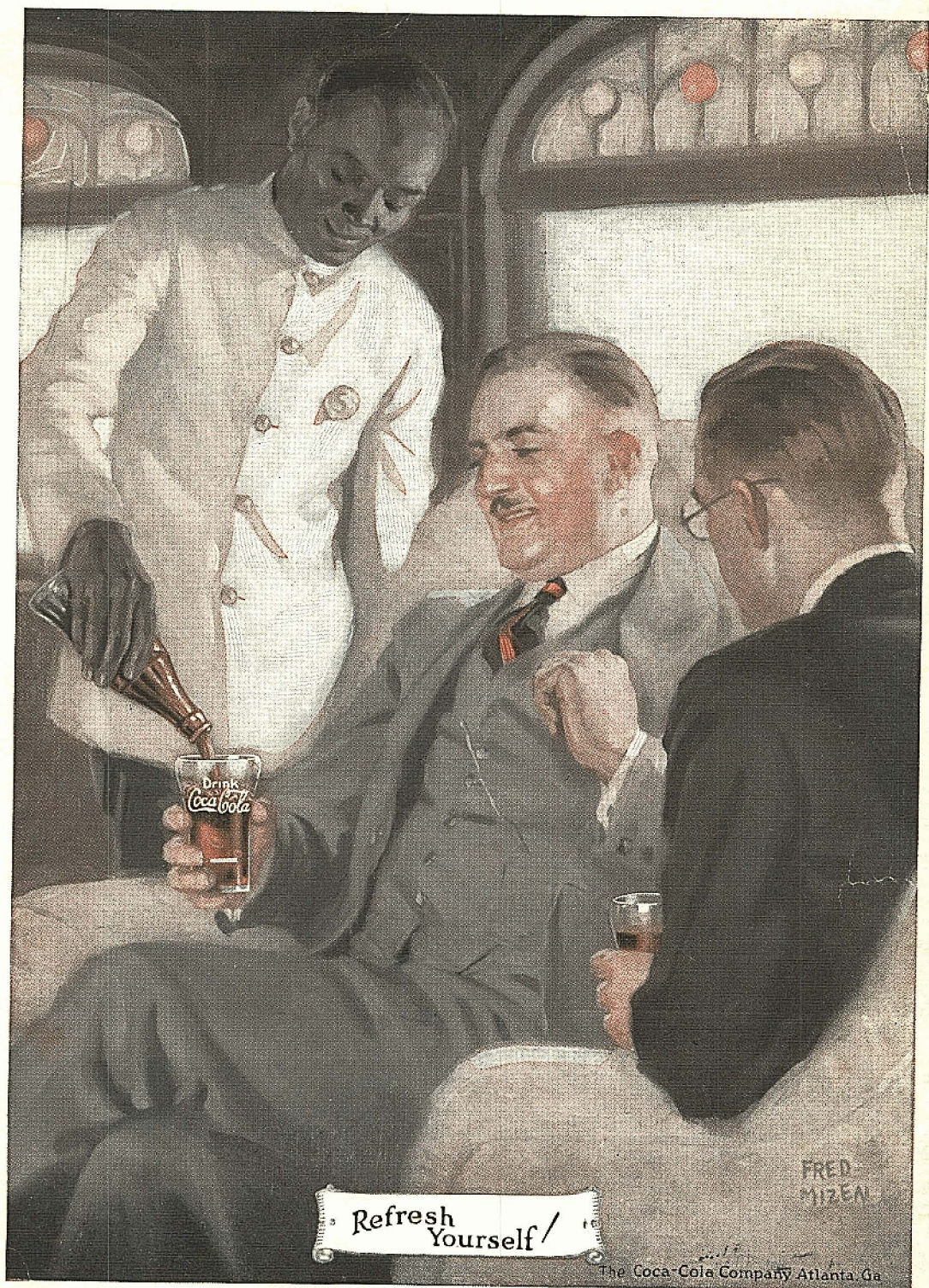
Paris



General Offices, The Coca-Cola Co., Atlanta.







Refresh
Yourself /

FRED
MIZEN

The Coca-Cola Company Atlanta, Ga